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November 12, 2001

Ms. Gloria Blue  
Executive Secretary TPSC  
Office of the United States Trade Representative  
600 17<sup>th</sup> Street NW  
Washington D.C. 20508

Re: Comments on Potential Action Under Section 203 of the Trade Act of 1974 with Regard to Imports of Certain Steel – Request for Exclusion of **Certain Flat Coiled Edge Wires for Bi-metal Band Saw Blades (of High-Speed Steel)** from Import Relief

Dear Ms. Blue:

This letter is submitted on behalf of Nachi America Inc. (“Nachi”) in response to the notice (the “Notice”) issued by the United States Trade Representative (“USTR”) and published in the Federal Register on October 26, 2001, requesting comments on what action the President should take under section 203 of the Trade Act of 1974 (the “Trade Act”) to facilitate efforts by the domestic industries producing certain steel products to make a positive adjustment to import competition and provide greater economic and social benefits than costs.

Nachi as an importer of the product described below (the “Product”) respectfully requests that the Product be excluded from any and all import relief that the President may impose under section 203 of the Trade Act.

**Product for Which Exclusion is Requested**

Nachi requests that **Certain Flat Coiled Edge Wires for Bi-metal Band Saw Blades (of High-Speed Steel)** be excluded from any import relief granted by the President. The information provided below in support of this request is in response to the specific requirements set forth in the Notice.

**Notice Request (a)** The designation of the product under a recognized standard or certification (e.g., ASTM, DIN), or the commercial name for the product and the HTS number under which the product enters the United States.

**Response:** The Product is generally known as Flat Coiled Edge Wires for Bi-metal Band Saw Blades (of High-Speed Steel). The Product is flat wire of alloy steel designed to be welded to bi-metal band saw blades to provide an extremely hard

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edge for the band saw blade. The grades of alloys used for the Product are High Speed Tool Steel M2(ASTM), M42(ASTM), M3-1 (ASTM), FAX18 (M42P) and FAXG2 (Nachi's original grade). The Product is imported under HTS No. 7229100000, a classification that is believed to include a variety of other non-competing products.

**Notice Request (b)** A description of the product based on physical characteristics (e.g., chemical composition, metallurgical properties, dimensions, surface quality) so as to distinguish the product from products for which exclusion is not sought.

**Response: Flat Coiled Edge Wires for Bi-metal Band Saw Blades of High-Speed Steel)** for which exclusion is requested are those that meet all of the following characteristics:

(1) Dimensions:

Alloy steel wire with a cross section of rectangular shape having widths ranging from 0.99 mm (0.039 inches) to 2.49 mm (0.098 inches) and thicknesses ranging from 0.50 mm (0.020 inches) to 1.71 mm (0.067 inches); with dimensional tolerances as follows (in millimeters):

Dimension		Size Tolerance	
Thickness	Width	Thickness	Width
0.50 to 1.19 mm	0.99 to 2.39 mm	+/- 0.020 mm	+/- 0.020 mm
1.19 to 1.50 mm	1.40 to 2.49 mm	+/- 0.025 mm	+/- 0.025 mm
1.50 to 1.70 mm	1.75 to 2.49 mm	+/- 0.030 mm	+/- 0.030 mm

(2) Chemical Composition:

Carbon (C) content: 0.80 to 1.60 percent by weight  
Tungsten (W) content: 1.25 to 6.5 percent by weight  
Molybdenum (Mo) content: 4.5 to 10.0 percent by weight  
Chromium (Cr) content: 3.5 to 4.5 percent by weight  
Vanadium (V) content: 0.95 to 4.3 percent by weight  
Cobalt (Co) content: 0.0 to 9.5 percent by weight

(3) Hardness

Not to exceed Rockwell C 37

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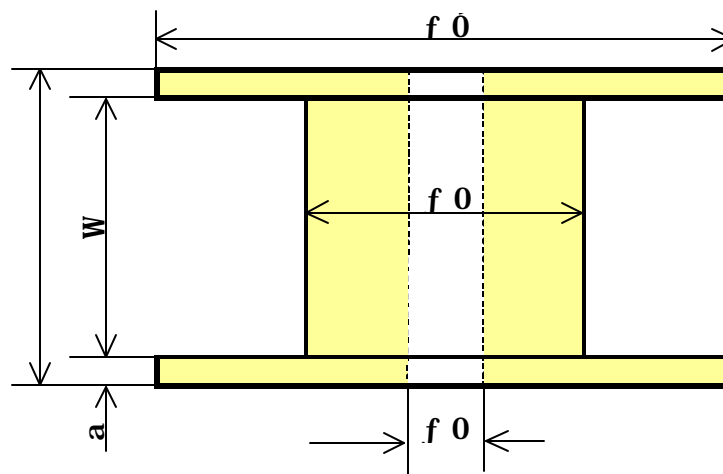
(4) Other properties

The Product is designed to be welded to a band saw blade to provide an extremely hard edge. The Product is more weldable by Electron-Beam Welding Process and the surface of the Product is decarb-free.

(5) Spools

The Product is shipped in spools made of ABS plastic resin having either of the following dimensions:

	Weight of Edge Wire	Spool Dimension					
Spool Type		ö	ö			ö	a
SPOOL-II	85 110 lbs	17.72"	9.84"	5"	6.57"	2"	0.79"
	40 50 kgs	450mm	250mm	127mm	167mm	50mm	20mm
SPOOL- I	250 lbs	17.3"	11.8"	7.5"	9.13"	2"	0.79"
	113 kgs	440mm	300mm	192mm	232mm	50mm	20mm



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**Notice Request (c)** The basis for requesting an exclusion.

**Response:** To the best of Nachi's knowledge, there is neither current U.S. production of the Product nor plans by any industry in the U.S. to commence production of the Product. Accordingly, there is no need to "facilitate efforts by a domestic industry to make a positive adjustment to import competition" within the meaning of section 203(a)(1)(A) of the Trade Act. Moreover, under these circumstances, there would be no "economic or social benefits" from the imposition of trade restraints relating to the Product. On the contrary, there would be only a negative impact on U.S. consumers of the Product, a factor which must be taken into consideration under section 203(a)(2)(F)(ii) of the Trade Act. In short, the only consequences of any action by the President under section 203 of the Trade Act in connection with the Product would be to add an economic burden to U.S. interests, both in terms of administrative costs and the impact on U.S. consumers.

**Notice Request (d)** The names and locations of any producers, in the United States and foreign countries, of the product.

**Response:** There is no U.S. producer of the Product known to Nachi. The only foreign producers of the products having similar, or almost identical, properties of the Product known to Nachi are Era Steel (France), Hitachi Metals (Japan) and Nachi's Japanese parent company, Nachi-Fujikoshi Corporation.

**Notice Request (e)** Total U.S. consumption of the product, if any, by quantity and value for each year from 1996 to 2000, and projected annual consumption for each year from 2001 to 2005, with an explanation of the basis for the projection.

**Response:**

	<u><b>1996</b></u>	<u><b>1997</b></u>	<u><b>1998</b></u>	<u><b>1999</b></u>	<u><b>2000</b></u>
<b>Actual Consumption*</b>					
Quantity (Short Ton)	120	130	130	140	150
Value (\$)	2,600,000	2,850,000	2,900,000	3,300,000	3,600,000
	<u><b>2001</b></u>	<u><b>2002</b></u>	<u><b>2003</b></u>	<u><b>2004</b></u>	<u><b>2005</b></u>
<b>Projected Consumption**</b>					
Quantity (Short Ton)	130	120	130	130	130
Value (\$)	2,900,000	2,700,000	2,900,000	2,900,000	3,000,000

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\* The U.S. consumption figures are calculated on the basis of information obtained through Nachi's independent market research and analysis.

\*\* Based on Nachi's forecast.

**Notice Request (f)** Total U.S. production of the product for each year from 1996 to 2000, if any.

**Response:** None.

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
<b>U.S. Production</b>					
Quantity (Short Ton)	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Value (\$)	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

**Notice Request (g)** The identity of any U.S.-produced substitute for the product, total U.S. production of the substitute for each year from 1996 to 2000, and the names of any U.S. producers of the substitute.

**Response:** Nachi is aware of no substitute product produced in the United States that has identical or similar properties of the Product.

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
<b>U.S. Production of Substitute</b>					
Quantity (Short Ton)	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Value (\$)	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

In closing, it bears repeating that the Product for which exclusion is requested is only available through importation from the only producers in the world, all of which are foreign. There is no substitute product. Under these circumstance, there is no need and there can be no justification for imposition of trade restraints on the Product.

Very truly yours,,

Roger L. Selfe

Enclosure

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